DEC STD 066-3 Policy for Designing Products for All Countries Designated As Strategic Markets

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ABSTRACT: This standard specifies the policy for designing products to be competitive in all countries designated as strategic markets, and provides a list of those countries. The standard also includes the procedures to be used for adding a country to the list and for requesting a waiver to the policy for a product.

APPLICABILITY: Mandatory for use by Digital personnel responsible for the design of Digital products worldwide.

STATUS: APPROVED 15-Mar-1990; use VTX SMC for current status.

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This document has been reviewed and recommended for approval by the General Review Group, which is the Manufacturing/Engineering/Marketing Staff, for its use throughout Digital. Rev B1 incorporates clerical changes only.

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1 POLICY

All Digital products must be designed to be competitive in all countries designated as strategic markets for the Corporation.

This requirement must be addressed for each product before that product exits Phase 0 of the Phase Review Process.

If a product plan does not include the intent to meet this requirement, a waiver is required. All waivers must be made visible to the Phase Review Committee (PRC) at the time of the Phase 0 exit for a product.

2 SCOPE

This standard provides the information needed to implement the policy stated above and includes the following topics:

a. Requirement (see subhead 3.1)

b. Implementation strategy (see subhead 3.2)

c. Countries designated as strategic markets (see heading 4)

d. Process for adding a country to this list (see subhead 5.1)

e. Process for deleting a country from this list (see subhead 5.2)

f. Process for obtaining a waiver to the requirement (see subhead 6.2)

3 REQUIREMENT AND IMPLEMENTATION STRATEGY

3.1 REQUIREMENT

A product must meet all requirements of each country designated in heading 4 for the market of intended use. A product may meet this requirement by having a family of variants, which together cover the requirements of all the countries on the list.

This requirement must be addressed by the product manager and/or responsible engineer for the product before that product exits Phase 0 of the Phase Review Process. Refer to *DEC STD 028-0 Phase Review Policy*.

If a product plan does not include the intent to meet this requirement, the product manager or responsible engineer must request a waiver in accordance with the process described under heading 6.

A waiver must also be requested if a change is going to be made to the product or if a project is going to be canceled and the change or cancellation would result in the product no longer meeting this requirement.

3.2 IMPLEMENTATION STRATEGY

The requirements of this revision of this standard shall apply to all products in Phase 0 on the date of approval of this revision of this standard and all products entering Phase 0 after that date.

A product is required to meet the requirements of all countries on the strategic countries list at the time the product exits Phase 0.

Software products must be engineered so as to be easily localized by the Local Engineering Groups (LEGs) for sale in strategic markets. Refer to *EL-SM498-00 Producing International Products*.

The product manager or responsible engineer is encouraged to make a product compliant with the requirements of any country added to the list while the product is in Phase 1. The Product Operations/Internal Standards, Information and Services (PO/ISIS) shall support the product manager or responsible engineer in this effort.

4 COUNTRIES DESIGNATED AS STRATEGIC MARKETS

The following countries are designated as strategic markets for the Corporation:

Algeria	France	Norway
Australia	Germany	Portugal
Austria	Ireland	Spain
Belgium	Israel	Saudi Arabia
Canada	Italy	Sweden
Denmark	Japan	Switzerland
Egypt	The Netherlands	United Kingdom
Finland	New Zealand	United States of America

Procedures for adding a country to this list of strategic markets are defined under subhead 5.1. Procedures for deleting a country are defined under subhead 5.2.

5 ADDING A COUNTRY TO THE STRATEGIC COUNTRY LIST

A senior field manager may propose to the Manufacturing/Engineering/Marketing (MEM) Staff that a country be added to the list by preparing a proposal using the process under subhead 5.1. The proposal must include a clear statement of purpose, background information, rationale, supporting data, projected outcome(s), and recommended actions. The proposal elements include the following:

a. EXECUTIVE SUMMARY

b. BUSINESS STATEMENT

   1. Statement of opportunity - strategic rationale for country penetration, including the historical perspective stating what has changed to cause this proposal to be made now.
   2. A competitive analysis of the total proposed market, including market trends by industry/channels/segments.
   3. Digital's projected market share to be gained/lost.
   4. Financial analysis.

c. ENVIRONMENT AND IMPLICATIONS

   1. External environment
   2. Strategy for product delivery
   3. Engineering implications
   4. Manufacturing implications including quality assurance

5. Marketing implications
6. Service implications

d. RECOMMENDED ACTION

NOTE

A more detailed summary of the contents of each element is provided in Appendix A. This appendix is a guideline that contains the necessary elements for a proposal.

5.1 PROCESS FOR ADDING A COUNTRY TO THE STRATEGIC COUNTRY LIST

The process for adding a country to the list of countries designated as strategic markets for the Corporation is as follows:

1. The proposer generates the proposal described under heading 5, working any business issues with country and area management.

NOTE

It is assumed the proposer is speaking with the authority of all appropriate country and area business management.

2. The proposer distributes the proposal to the Manufacturing/Engineering/Marketing (MEM) Staff **not less than three weeks** prior to the presentation.
3. The proposer presents an Executive Summary of the proposal to the MEM Staff using no more than three visuals.
4. Once approval has been obtained, country management designates a person whose responsibilities shall include the monitoring of the standards and regulations in that country that affect Digital's products. This country regulatory advisor provides regulatory information to PO/ISIS.
5. PO/ISIS then updates the list under heading 4 of this standard and notifies all Product Business Unit (PBU) managers and all owners of the affected standards of the addition to the list.
6. PO/ISIS works with the designated country standards and regulations advisor and owners of the affected standards to incorporate the country-specific requirements within Digital's internal standards.

5.2 PROCESS FOR DELETING A COUNTRY FROM THE STRATEGIC COUNTRY LIST

The process for deleting a country from the list of countries designated as strategic markets for the Corporation is the same as that for adding a country except that in step 6 the country's unique requirements are deleted from Digital's internal standards.

6 OBTAINING A WAIVER TO THE REQUIREMENT

6.1 NEED FOR A WAIVER

The product manager or responsible engineer for a product must address the requirements of all countries designated as strategic markets before the product exits Phase 0. In doing so, it may not seem economically advisable to pursue meeting the requirements of all the countries on the list for the following reasons:

a. There is no market for the product in one or more of the countries and it is not in Digital's long-term interest to build a market.

b. The cost of meeting the requirement in one or more of the countries is significantly larger than the profit to be gained from meeting it and there will be no immediate or long-term effect on other Digital products.

If either of the above is true, the product manager or responsible engineer, with input from the country manager of the country being waivered, must request a waiver for the product in accordance with the process described under subhead 6.2.

6.2 PROCESS FOR OBTAINING A WAIVER

The process for obtaining a waiver follows:

1. The product manager or responsible engineer sends a message explaining the need and justification for the waiver to the secretary of the MEM Staff.
2. The MEM Staff reviews the waiver request and makes a decision as to whether the waiver should be granted.
3. The secretary of the MEM Staff notifies the person requesting the waiver of the decision that was made. If the MEM Staff decided that the waiver should not be granted, the product manager or responsible engineer shall take the necessary steps to meet the requirement.
4. The product manager or responsible engineer who requests a waiver to this requirement, notifies PO/ISIS* when requesting the waiver and when receiving notification from the secretary of the MEM Staff.

   *Michael Neuffer
   MLO4-2/T65 DTN: 223-4129, CPSR1::NEUFFER

5. PO/ISIS maintains a record of all waivers requested and granted, and sends a waiver report to the MEM Staff on a quarterly basis.

7 PRODUCT OPERATIONS/INTERNAL STANDARDS, INFORMATION AND SERVICES (PO/ISIS) RESPONSIBILITIES

PO/ISIS has the following responsibilities regarding the procedures described in this document:

a. Keep this standard current.

b. Provide consultation and support, upon request, for anyone developing a proposal to add a country to the list of countries designated as strategic market.

c. Update the list when the addition of a country has been approved, and notify all PBU managers of the addition to the list.

d. Work with the added country's standards and regulations advisor and the affected standards owners to incorporate the identified country-specific requirements within Digital's internal standards.

e. Provide consultation, upon request, for any product manager or responsible engineer considering a waiver request.

f. Maintain a record of all waivers requested and granted and send a waiver report to the MEM Staff on a quarterly basis.

APPENDIX A PROPOSAL PREPARATION TO ADD OR DELETE A COUNTRY

A.1 EXECUTIVE SUMMARY

The executive summary contains:

a. Statement of Business Objective

   1. A concise statement of what is proposed.

      An introductory paragraph stating the nature of the recommended action and how it affects: (a) competitive positioning and (b) the strength of the market opportunity.

   2. A brief statement describing market trends, preferably shown as graphic representations.

   3. An expansion of the major benefits to be gained in terms of Return on Investment (ROI) and competitive positioning.

      This section provides an overview of supporting rationale for adding one or more countries and includes minimum anticipated sales and estimated projections of market growth.

b. Key engineering, manufacturing, service, and marketing implications for product areas affected.

c. A brief description of possible objections and solutions.

A.2 BUSINESS STATEMENT

This section includes a definition of the present product market; Digital's established products; and identification of the factors that provide the competitive edge in this country.

It includes an overview of the products that must be adapted or translated, how the development would be accomplished, recommended goals, and identification of resource deployment. These items should be further developed as described below.

This analysis shall include criteria such as:

a. A statement of opportunity (see subhead A.2.1)

b. A competitive analysis (see subhead A.2.2)

c. Digital's projected market share to be gained/lost (see subhead A.2.3)

d. A financial analysis over a 5-year period (see subhead A.2.4)

A.2.1 STATEMENT OF OPPORTUNITY

This statement outlines the strategic rationale for country penetration as follows:

a. The major reasons for this proposal.

b. The general environmental factors that affect the proposed market, including the following:

   1. The market to be gained by meeting the requirements of the country.

   2. Losses to Digital's present market if the country requirements are not met.

c. Anticipated objections and possible answers to those objections.

d. Other alternatives and why they weren't chosen.

e. Historical perspective.

   This section outlines the history of proposed market growth for the past 5 years, the present, and 5 years projection in relation to the GNP of the market country. It is a detailed profile of the computer market in the proposed country.

A.2.2 COMPETITIVE ANALYSIS

The competitive analysis shall present the following information about the competition in the proposed country and presents the following information:

a. Total present market size of the proposed market within the proposed market country.

b. Details of the competition's present proposed market and a projection of how many of a given product will be supplied within a given period of time by the competition.

c. Digital's positioning related to similar products of the entrenched competitors and implications, as well as a description of areas that can be exploited.

A.2.3 DIGITAL'S PROJECTED MARKET SHARE TO BE GAINED/LOST

This part of the proposal shall describe:

a. Digital's existing major products and percentage of market in the proposed country.

b. Digital's projected market percentage with adapted products including tables and graphs of overall market characteristics, showing market segments and potentials.

c. Market trends by industry/channels/segments.

A.2.4 FINANCIAL ANALYSIS OVER 5-YEAR PERIOD

This section of the proposal focuses on the detailed financial implications and summarizes information presented previously. It should include:

a. Total Corporation Net Operating Revenue (NOR)

b. Incremental NOR for Proposed Country

c. Costs/Benefits Analysis

   1. Anticipated costs to design new products to meet the requirements plus the cost to modify existing products to meet requirements per year for 5 years.

Describe the impact on the corporate products that will be required to implement the change.

a. Cost to manufacturing

b. Cost to sell, distribute, and service

2. Revenue stream that is committed by the business manager with and without each set of products.

3. Pro forma income statements, including: sales forecasts; market segment potentials in dollars, using the acceptance rate method; and alternative sales forecasts of each market segment.

   Show investment and return over time by product, entire market, and all Digital's sales within the proposed country. Include the following figures:

   a. The break-even point within the proposed country.

   b. NOR and Return on Investment (ROI) in terms of percent of total engineering budget.

   c. Cost of engineering country-specific products as a percentage of the total engineering budget.

   d. Incremental NOR as a percentage of total NOR.

   e. Incremental ROI (Incremental expenses divided by incremental NOR).

   f. Digital sales as a percentage of total market size within the proposed country.

   g. Total of increased cost to base products to allow translation/adaptation and cost of actually translating/adapting specific sets of products.

d. Details of significant risks

A.3 ENVIRONMENT AND IMPLICATIONS

A.3.1 EXTERNAL ENVIRONMENT

This section should describe industry requirements dealing with technical aspects; social, legal, and human factors; political and economic stability; required partnerships or local ownership; tariff and trade restrictions of the U.S. and the country under consideration; environmental impact, Corporation's image, and so forth. Include information regarding:

a. Industry characteristics

b. National standard status including:

   1. Agency regulations

   2. Terms and conditions

c. Intellectual property protection laws

d. Special services

e. Training

f. Marketing issues including a critical schedule proposal

g. Existing solutions to address country needs

h. Third-party acquisitions and OEMs - market share, impact, and implications

See *DEC STD 060-0 Design and Certification of Hardware Products to National and International Regulations and Standards - Policies and Procedures* for further information.

A.3.2 STRATEGY FOR PRODUCT DELIVERY

Define Digital's position, plans, and product strategy by stating the approach to the target market. To provide this information,

a. Define the additional requirements that must be met by a product in order for the product to be sold to or used in that country.

b. Provide a detailed list of required resources.

c. Define the relationship to other languages and countries, such as Hebrew versus Arabic, Chinese versus Japanese and marketing implications.

d. Summarize the basic technical issues, quantifying and qualifying the resolved and unresolved problems, including the impact of country standards and regulations on hardware, firmware, software, documentation, training and service requirements.

e. Define Digital's level of support in all areas compatible with country requirements.

f. Provide projected product schedule.

A.3.3 ENGINEERING IMPLICATIONS

Outline the engineering requirements in the following areas:

a. Total engineering budget for the country/area/business

b. Required resources by group of function (hardware, firmware, software, and documentation, personnel, training and services) to address the implications of such items as:

   1. Character sets
   2. Time and date formats
   3. Help and message library comments
   4. Compatibility with previous versions
   5. Multi-language functionality and support
   6. Special country requirements
   7. Base product requirements
   8. Resources for production process
   9. Estimate of user interface and software changes for translation resource planning
   10. Packaging and labeling
   11. Required safety and regulation approvals
   12. Any additional unique requirements for this country

c. Investment - total cost of engineering country-specific products for this country

d. Percent of total budget

e. Graphic representation of Investment/Revenue by product over time

See *EL-SM498-00, Producing International Products, DEC STD 178-3 Digital Marking Requirements For Completed Products Intended To Be Sold* and *DEC STD 060* for further information.

A.3.4 MANUFACTURING IMPLICATIONS

Supply the following information related to manufacturing issues for adding the proposed country:

a. Total manufacturing budget country/area/business

b. Required resources

c. Cost of manufacturing country specific products for this country including quality assurance

d. Percent of total budget

A.3.5 SERVICE IMPLICATIONS

Define the planned service approach for this country since it affects the Corporation's image:

a. Required resources

   1. Staffing
   2. Training
   3. Equipment needs for training

b. Anticipated revenues, expenses, and profit

A.3.6 MARKETING IMPLICATIONS

Supply unique requirements related to marketing issues within the proposed country.

A.4 RECOMMENDED ACTION

Review the critical elements of the plan, describing how the proposed goals enhance the Corporate Strategy.

APPENDIX B REFERENCED DOCUMENTS

B.1 EL-Class Digital Documents

EL-Class Number	Document Title
EL-00028-00	*DEC STD 028-0 Phase Review Policy*
EL-00060-00	*DEC STD 060-0 Design of Hardware Products to National and International Regulations and Standards, Policies and Procedures*
EL-00178-03	*DEC STD 178-3 Digital Marking Requirements for Completed Products Intended to Be Sold*

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